TOP SECRET



The Director of Central Intelligence
Washington, D.C. 20505

National Intelligence Council

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MEMORANDUM FOR: Director of Central Intelligence

Deputy Director of Central Intelligence

VIA : Chairman, National Intelligence Council

FROM : David Y. McManis

National Intelligence Officer for Warning

SUBJECT : Monthly Warning Meetings for February 1984

The highlights of the monthly warning meetings follow with comments:

a. Soviet Leadership

NIO/USSR-EE at his monthly warning meeting called for a more systematic effort towards perceiving the truth behind the flood of information and disinformation emerging from the USSR. We (NIO/W) wholeheartedly endorse such an effort and caution against reliance on signals from "American Opinion Handlers" who have a record of trying to mislead the United States as well as other outside observers.

We believe, on the basis of post-mortem on Andropov, that it is highly likely that the struggle for succession was begun and ended well before his death. Therefore, the naming of Chernenko was the realization of already concluded discussions and debates and that a power struggle is not ensuing.

We understand that an in-depth analysis is underway within the Intelligence Community of sources of information we have for what is going on in the Kremlin with an eye toward identifying the "American Handlers" and sources of disinformation. This analysis is

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critical to western understanding of Kremlin activities.

b. Iran-Iraq

CIA analysts expect a major Iranian offensive to begin by the end of March, probably centering on the al Basra front although several other areas are also likely to see major Iranian efforts. Analysts agree that the Iraqi response is almost certain to include air attacks on Iranian economic targets—specifically Khark Island and ships entering and leaving Iranian ports.

Baghdad recently threatened to counter the Iranian offensive with new weapons. DIA, NSA and CIA analysts expect a widespread use of mustard agents to help blunt the offensive; there is also concern that Iraq's aggressive program to produce CW nerve agents may make them available by late summer. Use of nerve agents has many potential implications including breach of a significant lethal CW threshold, a severe Iranian reaction, Iraqi supply to other Arab States, and renewed rationale for Israeli military actions against the new weapons capability.

Analysts questioned whether either Iran or Iraq could shut down the flow of oil through the Strait of Hormuz. NIO/W and NIO/Economics, however, emphasize about the psychological impact on the merchant marine insurance companies of sinking just one or two oil tankers - and whether or not they could effectively close the Strait by simply raising their insurance rates on shipping in the Persian Gulf. Both NIO's also question whether oil tankers could be protected from suicide attacks even after a U.S. and Western intervention to keep the Strait open.

c. Lebanon

Analysts agreed that President Gemayel has few if any options left. Whatever short-term results, Lebanon will probably return to something like the status quo before the Israeli invasion minus the Palestinians--Syrian control in north and east, a Christian heartland, a Druze canton, small areas of Shia

T O P S E C R E T

TOP SECRET

control, and a permament Israeli zone in the south. The emergence of an exceptionally strong Shia movement or the return of the Palestinians to West Beirut could provoke aggressive actions by either Israel or Syria. Analysts concluded that the Soviets have achieved their major goal in Lebanon--the withdrawal of U.S. troops--and, because of Syria jealously guarding its position in Lebanon, the Soviets might not want to play a larger role there.

d. South Africa/Mozambique/Angola

Pretoria seems to have improved its relations with Maputo, but analysts are not certain about whether South Africa will abandon the insurgents in Mozambique or if abandonment will seriously hurt the insurgents' activities. South African withdrawal from Angola seems to be proceeding slowly with Pretoria maintaining the capability to return to southern Angola if necessary. Despite negotiations between the two countries, the guerrilla war between UNITA and Angola seems to be heating up. Analysts are watchful for hints of Soviet intentions, the extent of Cuban involvement, the level of activity by SWAPO, and the outcome of various maneuvers on all sides in Angola.

e. Nigeria

The new regime appears to be trying to calm tensions and is beginning to deal with the economic situation. The punishment of former officials charged with corruption may be an indicator to junior officers of the government's intentions. Nonetheless, rumors of dissatisfaction among the officer corps in the military persist and could lead to another coup, especially if regional unrest continues.

f. Sudan

Analysts are concerned about the growing insurgency in the south and President Nimeiri's ineffective efforts to deal with it. Continued attacks on economic targets in the south could cost Sudan the support of the international economic and financial community. Some analysts are worried about

TOP SECRET

TOPSECRET

the state of Nimeiri's health and its effect on his activity. He has not moved decisively as he did in previous crises, but forceful action is required to avoid a prolonged insurgency in the south.

g. Kampuchea

The Vietnamese dry season offensive has not yet materialized, although there are increasing reports of preparations. Vietnamese hesitation may be the result of increased Democratic Kampuchean forces activity -- the highest in five years.

h. F-16 Sales to ASEAN

F-16/100 appears to be the most preferred fighter aircraft by several ASEAN nations. The French government might offer terms for the Mirage 2000 that could make it competitive. ASEAN regards U.S. approval of F-16/100 sales as an indicator of U.S. commitment to their security needs.

i. Chile

The prospect for a political confrontation in Chile in the next few months is better than 50/50. Several protests have been proclaimed for March and April. May and June have been troubled times in the past. A serious crisis could result from either:

- --Major changes in the political parties'
- --The resignation of Interior Minister Jarpa
- --The handling of opposition political or labor activities
- --Attacks on the church, on rights, or on political activity
- --Widespread support for a national strike --Firing of military personnel for political remarks.

j. <u>El Salvador</u>

Analysts expect the guerrillas to keep up their military activity, despite their statement that they would not oppose the elections. Castro is working diplomatically

T O P S E C R E T

TOPSECRET

with West Europeans, particularly the French, and Central Americans to avoid either a victory by the El Salvadoran Army or a U.S. reaction to an insurgent victory that could spill over to policy toward Nicaragua. He stresses the reasonableness of Salvadoran insurgents and the value of negotiations. The U.S. Congress has also been a target of his political activity. Cuba may desire a rightwing election victory, counting on a negative reaction by our Congress.

k. Pakistan/Afghanistan/USSR/India

Afghan aircraft attacked Afghan refugee camps in Pakistan in late January. Analysts were divided over the question of whether this represents an escalation on the part of the Soviets or a passing incident; however, there is also a Soviet media campaign to incite Indian animosity toward Pakistan. Most analysts doubted that the Soviets had launched a new phase of their involvement in south Asia, but the situation needs careful observation.

1. Pakistan's Uranium Production

Th Intelligence Community presently thinks that Pakistan will not be able to produce bomb-significant amounts of fissile material for at least two years. Pakistani officials, however, are boasting of their progress in this area. We in the Intelligence Community do not have adequate information on Pakistani activities while at the same time we acknowledge that there is an unsettling amount of work going on. A reassessment of the evidence is underway.

David Y. McManis

Attachments: Warning Reports (h/w)

